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THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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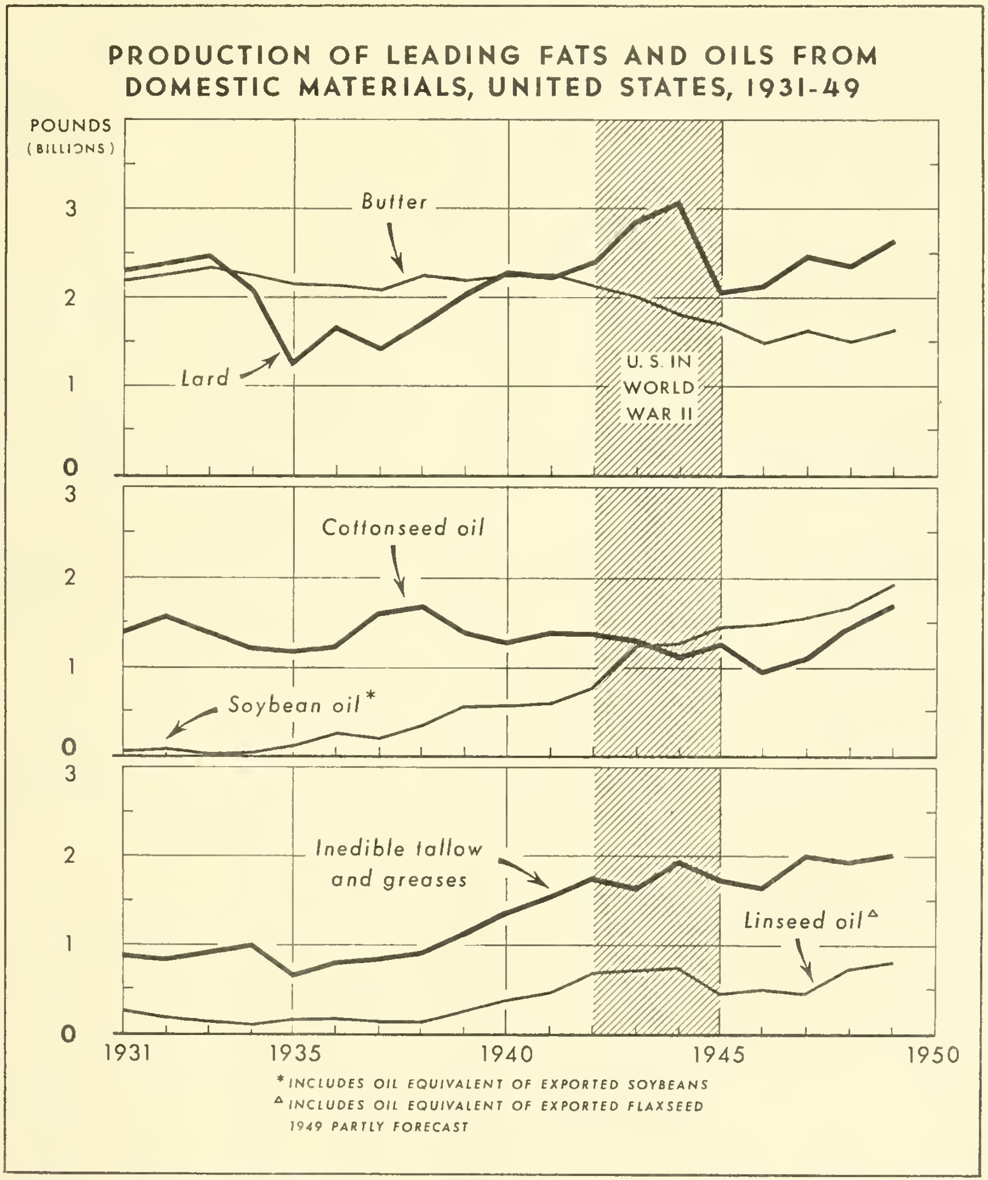

PRODUCTION OF LEADING FATS AND OILS FROM DOMESTIC MATERIALS, UNITED STATES, 1931-49

*INCLUDES OIL EQUIVALENT OF EXPORTED SOYBEANS
△INCLUDES OIL EQUIVALENT OF EXPORTED FLAXSEED
1949 PARTLY FORECAST

U. S. DEPARTMENT OF AGRICULTURE NEG 47395-X BUREAU OF AGRICULTURAL ECONOMICS

Record output of fats and oils from domestic materials in calendar year 1949, including the oil equivalent of exported oilseeds, will total about 11.7 billion pounds, compared with the 1937-41 average of 8.2 billion pounds. Large increases over prewar in production of soybean oil, inedible tallow and greases, lard, and linseed oil have more than offset declines from prewar in output of butter and fish oils.

Production of soybean oil in 1950 (including oil equivalent of exports) will decline, reflecting a decrease in the 1949 soybean crop. But this will be more than offset by a rise in lard production resulting largely from the indicated 13 percent increase in the 1949 pig crops.

Table 1.- Wholesale prices per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, August 1947 and 1948, June-August 1949

Item	August		1949		
	1947	1948	June	July	August
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	74.7	75.3	58.8	59.9	61.9
Butter, 92-score, New York	74.4	76.6	59.0	59.9	61.8
Oleomargarine, dom. veg., Chicago	36.0	37.5	25.0	25.0	28.2
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	26.8	32.0	19.8	19.8	22.0
Shortening, cont. animal fat, 1-lb. cartons, Chicago	28.2	33.5	23.0	23.0	23.2
Lard, loose, Chicago	15.5	20.4	10.8	10.4	13.2
Lard, prime steam, tierces, Chicago	17.2	19.5	11.3	11.4	13.1
Lard, refined, 1-pound cartons, Chicago	18.3	24.2	14.6	13.5	17.0
Oleo oil, extra, drums, Chicago	1/18.7	28.0	11.6	11.2	14.0
Oleostearine, barrels, N. Y.	1/16.0	1/26.8	9.8	9.8	10.6
Tallow, edible, Chicago	12.6	14.8	6.6	6.2	7.7
Corn oil, crude, tanks, f.o.b. mills	20.0	24.6	10.7	11.4	14.5
Corn oil, refined, drums, New York	27.1	30.7	16.5	16.7	20.4
Cottonseed oil, crude, tanks, f.o.b. S. E. mills	18.5	24.6	10.0	11.0	15.2
Cottonseed oil, p.s.y., bleachable, tank cars, N. Y. 2/	18.4	21.3	12.3	12.6	16.1
Cottonseed oil, refined, drums, New York	27.5	33.2	16.3	17.1	21.2
Peanut oil, crude, tanks, f.o.b. mills	19.2	25.2	11.4	13.9	18.4
Peanut oil, refined, drums, N. Y.	27.1	33.5	16.9	19.7	24.0
Soybean oil, crude, tank cars, midwestern mills	15.9	22.1	9.4	9.7	12.9
Soybean oil, refined, drums, N. Y.	21.4	27.2	13.9	14.4	16.8
Babassu oil, tanks, New York	14.8	25.5	19.1	18.8	20.5
Coconut oil, crude, tank car lots, Pacific Coast 3/	14.5	24.4	17.4	17.8	18.9
Coconut oil, Cochin type, refined, drums, N.Y. (tax included)	18.7	32.5	23.0	21.5	22.2
Olive oil, imported, edible, drums, N. Y.	83.3	61.1	48.4	47.3	46.9
Olive oil, California, edible, drums, N. Y.	70.0	56.7	45.6	45.3	44.8
Olive-oil foots, domestic, drums, carlots, N. Y.	---	23.2	19.9	20.4	20.2
Palm oil, Congo, drums, N. Y. 3/	---	25.6	19.4	17.6	15.9
Sesame oil, refined, drums, N. Y.	4/25.0	---	41.0	41.0	41.0
Teaseed oil, refined, drums, N. Y.	---	33.0	25.0	25.0	25.0
Tallow, inedible, prime or extra, carlots, Chicago	11.9	13.4	5.5	5.4	6.9
Tallow, No. 1, inedible, Chicago	11.0	11.7	4.8	4.3	5.8
Grease, A White, Chicago	11.5	12.8	5.2	5.0	6.3
Grease, Yellow, Chicago	10.5	10.8	4.6	4.0	5.4
Menhaden oil, light pressed, tanks, N. Y.	17.6	19.0	10.0	9.2	9.6
Sardine oil, crude, tanks, Pacific Coast	---	15.0	5.0	5.6	6.8
Cottonseed-oil foots, raw (50% T.F.A.) delivered, East	3.0	3.2	2.0	1.8	2.1
Tall oil, refined, tanks, works	6.8	5.8	5.6	5.0	5.0
Linseed oil, raw, tank cars, Minneapolis	30.0	27.2	23.8	24.1	19.8
Linseed oil, raw, drums, carlots, N. Y.	29.1	29.1	28.3	25.1	21.6
Oiticica oil, drums, f.o.b. N. Y.	23.8	19.3	18.1	18.4	19.8
Tung oil, drums, carlots, N. Y.	26.3	22.0	21.5	22.4	24.6
Tung oil, tanks, f.o.b. Pacific Coast	24.5	---	---	21.0	23.0
Castor oil, No. 3, drums, carlots, N. Y.	27.8	22.2	17.8	17.1	17.0
Castor oil, No. 1, tanks, N. Y. (New Jersey mills)	27.0	21.8	17.7	17.2	17.2
Castor oil, dehydrated, tanks, N. Y.	30.7	25.0	21.4	21.0	21.0
Cod-liver oil, med. U.S.P. bbl., N. Y.	38.4	34.5	31.5	31.5	28.6
Cod oil, Newfoundland, drums, N. Y.	21.0	24.5	21.0	12.8	11.4
Glycerin, soaplye, basis 80%, tanks, N. Y.	22.5	29.0	16.8	16.6	15.9
INDEX NUMBERS (1935-39 = 100)					
Eight domestic fats and oils (1910-14=100)	224	244	168	168	181
Eight domestic fats and oils (.72*)	221	240	165	167	179
All fats and oils (27 items) (.73*)	234	252	182	181	190
All fats and oils, except butter (26 items). (.82*)	209	245	161	154	167
Grouped by origin:					
Animal fats (.69*)	233	242	175	178	188
Marine animal oils (.77*)	5/268	338	239	158	153
Vegetable oils, domestic (.84*)	229	289	170	167	190
Vegetable oils, foreign (.88*)	244	263	234	218	210
Grouped by use:					
Butter (.67*)	254	257	200	203	210
Butter, seasonally adjusted (.67*)	263	264	218	219	218
Lard (.78*)	168	191	110	112	128
Other food fats (.84*)	221	281	157	157	186
All food fats (.71*)	235	252	177	180	193
Soap fats (.80*)	191	245	154	145	161
Drying oils (.85*)	276	274	265	239	211
Miscellaneous oils (.71*)	303	286	241	204	187
All industrial fats and oils (.82*)	234	258	205	188	183

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Chicago Journal of Commerce, and reports of Production and Marketing Administration and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Tierces. 2/ Near-by futures. 3/ Three-cent processing tax added to prices as originally quoted. 4/ Tanks, Pacific Coast. 5/ Applies to menhaden and sardine oils only.

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, September 30, 1949

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SUMMARY

Production of fats and oils from domestic materials in the year beginning October 1949 probably will total about 11.7 billion pounds, exceeding the new record of nearly 11.6 billion pounds reached in 1948-49. These estimates include the oil equivalent of domestic oilseeds exported for crushing abroad. Increases in animal fats will more than offset expected declines in edible vegetable oils. The high level of production has been accompanied by heavy exports. Net exports in August 1948-July 1949, the latest 12-month period reported, totaled 933 million pounds, including oil equivalent of oilseeds. This was in sharp contrast to net imports of 299 million pounds a year earlier and was one of the largest net exports of record.

Production of lard and greases is likely to increase substantially in 1949-50 as a result of the increase in the 1949 pig crops, which were apparently about 13 percent larger than a year earlier. Output of tallow will remain large, since cattle slaughter is expected to be well maintained and average slaughter weights will continue high.

Production of edible vegetable oils (including oil equivalent of exported domestic oilseeds) probably will decline in 1949-50. Indicated reductions in the 1949 production of soybeans and peanuts probably will be reflected almost entirely in crushings and exports since other uses of soybeans and peanuts are expected to be roughly the same as in 1948-49. On the basis of indicated cotton-lint production this year, output of cottonseed is expected to be about the same as in 1948.

Total production of flaxseed in 1949, although substantially smaller than the 1948 bumper crop, will supply as much flaxseed for crushing in 1949-50 as was crushed a year earlier. In addition, there is a very large carry-over of linseed oil and flaxseed from the 1948 crop.

Exports of fats, oils, and oil equivalent of oilseeds in January-July totaled 1,539 million pounds, including shipments to United States Territories, compared with 518 million for the same period last year. Exports declined moderately in July to 193 million pounds, 30 million less than the January-June average. Imports of fats and oils in January-July, including oilseeds in terms of oil, were 543 million pounds compared with 774 million a year earlier. Imports of coconut oil and palm oil for the first 7 months of this year were larger than for the comparable period last year. However, copra and tung oil imports were much smaller.

It was announced on September 1 that the support price for 1949 crop soybeans (based on 90 percent of the comparable price on September 1) will be $2.11 per bushel for 1949 crop green and yellow soybeans grading U. S. No. 2 or better and containing not more than 14 percent moisture. The corresponding price support for 1948 crop soybeans was $2.18.

Prices to farmers for flaxseed produced in 1950 will be supported at 60 percent of the farm parity price as of April 1, 1950. The support level for the 1949 crop, $3.99 per bushel, Minneapolis basis, is equivalent to 90 percent of the parity price on April 1, 1949.

Loans are being offered this season to farmers by CCC on clean, safely-stored cottonseed at $49.50 per ton. The settlement value will be $50.65 per ton for basis-grade cottonseed, with premiums or discounts for seed grading above or below 100. Cottonseed prices were not supported last season. Prices to farmers averaged $67.80 per ton.

Prices to farmers for the 1949 crop of peanuts are being supported at a basic level of 10.5 cents per pound ($210 per ton) compared with 10.8 cents per pound ($216 per ton) a year earlier. Scheduled support prices vary with type and sound mature kernel content.

The index number of wholesale prices of 26 major fats and oils (excluding butter) in September declined to about 155 percent of the 1935-39 average compared with 167 in August, the July low of 154, and 241 in September 1948.

OUTLOOK

Reduced Quantity of Oilseeds For Crushing and Export Indicated From 1949 Crops

On the basis of September 1 conditions, production of soybeans for beans is expected to be 7 percent smaller this year than last; production of flaxseed, 21 percent smaller; and production of peanuts picked and threshed, 23 percent smaller. Output of cottonseed in 1949 will be 1 percent larger than last year if the September 1 indication of cotton-lint production is borne out and the 1944-48 average ratio between production of seed and lint is realized.

Table 2.- Production of oilseeds, average 1937-46, 1948, and 1949

Item	Unit	Average 1937-41	Average 1942-46	1948	1949, indicated on - August 1	1949, indicated on - September 1
Cottonseed ..	1,000 tons	5,500	4,394	5,941	1/5,962	1/6,027
Soybeans for beans	Mil. bu.	76.7	192.6	220.2	202.4	204.2
Flaxseed	do.	19.6	34.0	52.5	41.9	41.6
Peanuts 2/ ..	Mil. lb.	1,395	2,106	2,338	1,777	1,792

Compiled from crop production reports of the United States Department of Agriculture.

1/ If the ratio of production of cottonseed to production of cotton-lint is the same in 1949 as the 1944-48 average.

2/ Picked and threshed.

A reduction in output of soybeans this year will be reflected in crushings and exports in the year beginning October 1949, since stocks of old-crop-soybeans at the beginning of the new crop year apparently were small. Processing of soybeans for oil and meal in the United States in October 1948-September 1949 apparently totaled 175 million bushels or more. Exports accounted for another 22 or 23 million bushels. With about 9.8 pounds of oil obtained per bushel of soybeans crushed in 1948-49, production of soybean oil and oil equivalent of exported soybeans totaled about 1,950 million pounds, 400 million pounds more than a year earlier and a new peak (table 4). The reduction of 16 million bushels in the 1949 crop, indicated by September 1 conditions, would be equivalent to over 150 million pounds of oil.

Reduced output of peanuts also will result in smaller crushings and exports in 1949-50 than a year earlier. Production of peanut oil in September 1948-August 1949 totaled 116 million pounds. In addition, about 215 million pounds of peanut oil were exported in the form of shelled peanuts to be crushed abroad. Both crushings and exports in 1948-49 were largely from the surplus over farm uses and commercial use in edible products. This surplus will be materially reduced in 1949-50 as a result of the smaller crop. The reduction of nearly 550 million pounds in indicated production of peanuts picked and threshed is equivalent to about 160 million pounds of peanut oil.

Table 3.- Supply and disposition of fats and oils, United States, average 1937-41, and annual 1942-49

Item	Average 1937-41	1942	1943	1944	1945	1946	1947	1948	1949 1/
	Calendar year								
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
PRODUCTION FROM DOMESTIC MATERIALS, including oil equivalent of domestic oilseeds exported for crushing.									
Food fats and oils									
Butter: Creamery	1,780	1,764	1,674	1,489	1,364	1,171	1,330	1,214	
Farm	431	366	341	329	337	334	316	299	
Total (actual weight)	2,211	2,130	2,015	1,818	1,701	1,505	1,646	1,513	1,680
Lard and rendered pork fat:									
Federally inspected	1,224	1,724	2,080	2,367	1,311	1,344	1,722	1,680	
Other	719	676	785	687	755	794	705	688	
Total	1,942	2,400	2,865	3,054	2,066	2,138	2,427	2,368	2,620
Edible tallow, edible animal stearins, oleo stock and oil	213	277	259	198	202	124	184	138	180
Total edible animal fats	4,366	4,807	5,139	5,070	3,969	3,767	4,257	4,019	4,480
Corn oil	155	248	239	211	205	198	247	203	
Cottonseed oil	1,472	1,386	1,313	1,132	1,273	966	1,117	1,462	
Olive oil, edible	6	7	10	6	4	2	3	3	
Peanut oil	87	77	153	2/108	2/95	101	132	138	
Peanuts (shelled), oil equivalent of exports for crushing 3/	---	---	---	---	---	7	75	171	
Soybean oil	419	762	1,234	1,246	1,392	1,454	1,542	1,603	
Soybeans, oil equivalent of exports 4/	31	3	12	5	62	26	23	63	
Total edible vegetable oils	2,170	2,483	2,961	2,708	3,031	2,754	3,139	3,643	4,100
Soap fats and oils									
Inedible tallow and greases	1,167	1,742	1,649	1,943	1,751	1,658	2,023	1,942	
Fish and marine mammal oils (excl. cod and liver oils)	238	148	168	206	180	146	122	125	
Total soap fats and oils	1,405	1,890	1,817	2,149	1,931	1,804	2,145	2,067	2,300
Drying oils									
Linseed oil 5/	277	699	715	732	452	512	450	705	
Flaxseed, oil equivalent of exports 6/	---	7/	7/	7/	---	7/	7/	33	
Tung oil	2	2	5	3	10	11	13	17	
Total drying oils	279	701	720	735	462	523	463	755	800
Other industrial, including cod and fish-liver oils	18	36	31	33	41	35	37	26	20
Grand total	8,239	9,917	10,668	10,695	9,432	8,883	10,040	10,510	11,700
STOCKS of primary fats and oils, January 1 (crude basis)	2,218	2,272	2,018	2,151	2,156	1,726	1,266	1,293	1,680
IMPORTS of oil and factory production of oil from imported materials 8/	1,974	996	929	990	902	819	1,363	1,266	9/ 548
TOTAL SUPPLY	12,430	13,185	13,615	13,836	12,490	11,428	12,669	13,069	
EXPORTS, reexports, and shipments to U. S. territories 8/	479	946	1,621	1,669	1,199	908	995	984	9/1,533
STOCKS of primary fats and oils, December 31 (crude basis)	2,303	2,009	2,151	2,156	1,726	1,266	1,293	1,680	
DOMESTIC DISAPPEARANCE 10/	9,647	10,223	9,756	10,068	9,586	9,283	10,378	10,405	
Military procurement, excluding relief	48	474	882	1,189	1,092	127	102	107	
Civilian disappearance	9,599	9,749	8,874	8,879	8,494	9,156	10,276	10,298	
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Civilian disappearance per person (fat content):									
Food	46	45	42	41	39	40	42	42	
Nonfood	24	25	24	25	24	24	27	26	
Total	70	70	66	66	63	64	69	68	

1/ Estimated on the basis of reported data through July and indications for the remainder of the year. 2/ Total production minus oil equivalent of imported Argentine peanuts. 3/ Oil equivalent calculated as 43 percent of actual weight. 4/ Oil equivalent calculated as 9 pounds per bushel before October 1947; 9.5 pounds from October 1947 to Sept. 1948; 9.8 pounds since Sept. 1948. 5/ Total production minus oil equivalent of imports of flaxseed. 6/ Oil equivalent calculated at 19.7 pounds per bushel in 1948 and 19.8 pounds per bushel in 1949. 7/ Less than 500,000 pounds. 8/ Imports include shortening and soap in terms of fat content. Exports include margarine, shortening, and soap in terms of fat content, procurement by the Army for European relief, procurement by the American Red Cross, and exports through private relief agencies in 1947 and 1948. Exports also include oil equivalent of soybeans, flaxseed, and shelled peanuts for crushing abroad. There are substantial revisions in the exports in some of the war and early postwar years, mainly as a result of the inclusion of the lard content of tushonka and shortening content of Army biscuits exported. 9/ January-July only. 10/ Adjusted for changes in stocks of margarine and shortening, Government stocks of lard in transit to warehouses and ports, and cold-storage stocks of butter held by the Army.

Compiled from reports of the Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Grand totals and per capita estimates computed from unrounded numbers.

Table 4.- Production of fats and oils from domestic materials and oil equivalent of exported oilseeds, year beginning October, 1937-49

Item	Average 1937-41	1942	1943	1944	1945	1946	1947	1948 1/	1949, forecast
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Food fats and oils									
Butter: Total (actual weight)	2,220	2,072	1,843	1,751	1,453	1,685	1,511	1,660	1,800
Lard and rendered pork fat: Total	2,091	2,682	3,267	2,118	2,107	2,395	2,324	2,530	2,850
Edible tallow, edible animal stearine, oleo stock and oil	225	269	213	202	129	175	143	180	180
Total edible animal fats	4,536	5,023	5,323	4,071	3,689	4,255	3,978	4,370	4,830
Corn oil	173	240	214	217	183	250	201	215	
Cottonseed oil	1,456	1,402	1,179	1,303	1,002	1,012	1,356	1,690	
Olive oil, edible	6	10	6	4	2	2	3	6	
Peanut oil	87	133	135	2/ 89	99	138	128	115	
Peanuts (shelled), oil equivalent of exports for crushing abroad 3/	---	---	---	---	---	49	119	215	
Soybean oil	500	1,206	1,219	1,347	1,415	1,531	1,533	1,730	
Soybeans, oil equivalent of exports 4/	31	8	8	46	25	35	28	220	
Total edible vegetable oils	2,253	2,999	2,761	3,006	2,726	3,017	3,368	4,191	3,800
Soap fats and oils									
Inedible tallow and greases	1,303	1,614	1,941	1,756	1,720	1,869	1,982	2,070	
Fish and marine mammal oils (excluding cod and liver oil)	220	183	160	213	169	126	124	125	
Total soap fats and oils	1,523	1,797	2,101	1,969	1,889	1,995	2,106	2,195	2,280
Drying oils									
Linseed oil 5/	361	303	802	416	563	406	689	700	
Flaxseed, oil equivalent of exports 6/	---	*	*	*	1	2	1	92	
Tung oil	2	5	2	10	11	14	16	17	
Total drying oils	363	308	804	426	575	422	706	809	800
Other industrial, including cod and fish-liver oils	21	18	32	40	36	35	33	20	20
Grand total	8,696	10,145	11,021	9,512	8,915	9,724	10,191	11,585	11,730

Compiled from reports of the Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture.

1/ Estimated on the basis of reported data through July 1949 for most items and indications for August and September.

2/ Total production minus oil equivalent of imported Argentine peanuts. 3/ Oil equivalent calculated as 43 percent of actual weight. 4/ Oil equivalent calculated as 9 pounds per bushel, 1937-46; 9.5 pounds in 1947 and 9.8 pounds in 1948 and 1949. 5/ Total production minus oil equivalent of imported flaxseed. 6/ Oil equivalent calculated at 19 to 20 pounds per bushel, as computed currently by dividing production of linseed oil by crushings of flaxseed.

*Less than 500,000 pounds.

Production of cottonseed oil in August 1949--July 1950 is likely to be roughly the same as the 1,702 million pounds produced a year earlier.

Output of linseed oil from domestic flaxseed in July 1948-June 1949 was 724 million pounds. The estimated 1949 crop of flaxseed (41.6 million bushels) is large enough to produce about 700 million pounds of linseed oil again in 1950. The carry-over of flaxseed on July 1 this year was 20.5 million bushels and was held largely by Commodity Credit Corporation. This is more than ample to provide for a normal carry-over of about 5 million bushels next July 1. Factory and warehouse stocks of linseed oil on July 1, 1949, also held largely by CCC, totaled 381 million pounds, equivalent to more than 19 million bushels of flaxseed. In 1948-49, 4.7 million bushels of flaxseed and 14 million pounds of linseed oil were exported.

RECENT DEVELOPMENTS

Prices of Most Edible Vegetable Oils Decline Sharply

Prices of most major fats and oils averaged lower in September than in August. Price declines were sharpest in edible vegetable oils, which had increased the most during the previous month. The price of tung oil continued to rise, reflecting small imports since February.

The index numbers of wholesale prices of 26 major fats and oils (excluding butter) in September was about 155 (1935-39=100) compared with 167 in August, the July low of 154, and 241 in September 1948. Prices of lard, edible vegetable oils, tung oil, and inedible tallow and greases were higher in September than in July, but prices of olive, palm, coconut, and linseed oils were lower.

Table 5. - Wholesale prices per pound of specified fats and oils September 1949, with comparisons

Item	Average 1937-41	September 1948	1949 July	1949 August	1949 September (preliminary)
	Cents	Cents	Cents	Cents	Cents
Butter, 92 score, Chicago	29.6	72.0	59.9	61.9	62.1
Lard, tank car lots, Chicago	7.7	20.5	10.4	13.2	12.0
Cottonseed oil, crude, S. E. mills	7.0	22.1	11.0	15.2	11.8
Soybean oil, crude, tank cars, Midwest mills	6.4	22.8	9.7	12.9	11.5
Coconut oil, crude, tank cars, Pacific Coast 1/................	7.0	28.1	17.8	18.9	16.6
Inedible tallow, prime, Chicago ..	6.3	13.3	5.4	6.9	6.4
Linseed oil, raw, tank cars, Minneapolis	9.3	27.1	24.1	19.8	19.0
Tung oil, drums, New York	21.7	22.4	22.4	24.6	27.0

Compiled from Oil, Paint, and Drug Reporter, the National Provisioner, Chicago Journal of Commerce, and reports of Production and Marketing Administration.

1/ Three cents added to allow for tax on first domestic processing.

Support Price for 1950-Crop Flaxseed Reduced to 60 Percent of Parity

It was announced September 16 that flaxseed produced in 1950 will be supported at 60 percent of the parity price as of April 1, 1950. The 1949 crop is being supported at $3.99 per bushel, Minneapolis basis, equivalent to 90 percent of parity on April 1, 1949. The 1948 support was at $6.00 per bushel, Minneapolis, equivalent to 136 percent of parity.

High prices for flaxseed and good yields per acre resulted in a 1948 crop considerably larger than needed to provide all the linseed oil consumed in the United States. The 1949 crop of flaxseed and the carryover of flaxseed and linseed oil from the 1948 crop are equivalent to about 81 million bushels of flaxseed. This is sufficient to provide a two-year supply of linseed oil at the rate of use in recent years.

Prices will be supported by means of non-recourse warehouse and farm storage producers' loans and producers' purchase agreements; and by direct purchases from producers, if necessary, in forty-two designated counties in Texas where characteristics of the flaxseed make storage impracticable.

1949-Crop Soybeans To be Supported At $2.11 per Bushel

Details of the support program for the 1949 soybean crop were announced on September 1. The support price (which reflects 90 percent of the comparable price on September 1) will be $2.11 a bushel for 1949-crop green and yellow soybeans grading U. S. No. 2 and containing not more than 14 percent moisture. Black, brown, and mixed soybeans will be supported at $1.91 per bushel. Premiums and discounts will apply to other grades. These supports are 7 cents per bushel lower than those for the 1948 crop.

Non-recourse loans will be made through January 31, 1950 and will mature May 31, 1950 or earlier on demand. Purchase agreements will be available to producers through January 31, 1950. Producers desiring to deliver soybeans under a purchase agreement must declare their intention within a 30-day period ending May 31, 1950, or ending on such earlier date as may be determined by the Commodity Credit Corporation.

To be eligible for loan or purchase agreements, soybeans must grade U. S. No. 4 or better and must not contain more than 14 percent moisture.

Settlement Values on Cottonseed Loans to Vary According to Grades

It was announced September 13 that the settlement value per ton of cottonseed held under loan from CCC until the maturity date April 30, 1950 will depend on the grade of the cottonseed when delivered. The value per ton for cottonseed grading 100 ("basis grade") will be $50.65. For other grades, the settlement value will be above or below $50.65 per ton by the same percentage that the grade exceeds or falls below 100. The loan rate of $49.50 a ton is based on the average grade of cottonseed for the past 5 years which was 97.7.

1950 National Peanut Acreage Allotment to be not Less Than 2.1 Million Acres

The President approved August 29, 1949 Public Law 272, amending the Agricultural Adjustment Act of 1938 to provide that no State shall receive a peanut acreage allotment less than (1) the State allotment for the 1941 crop or (2) 60 percent of the peanut acreage harvested for nuts in 1948, whichever is larger. Prior to the amendment, the minimum State allotment was the State allotment for the 1941 crop. The basis for apportioning the national acreage allotment among the States shall be the average acreage of peanuts harvested for nuts in each State in the 5 years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment is to be established.

The amendment also states that the 1950 national peanut acreage allotment shall not be less than 2.1 million acres. The 1949 allotment of 2.7 million acres was based on indicated ECA and Army outlets in occupied areas. If the national acreage allotment is less than 2.1 million in any year after 1950, the amendment provides that each State allotment, after being calculated as described above, shall be reduced on a pro rata basis.

Table 6.- Fats and oils, including margarine and shortening: Production from domestic and imported materials, January-July 1949, and factory and warehouse stocks at end of month, July 1949, with comparative data

Items grouped by major use	Production 1/				Stocks 2/		
	July 1948	July 1949	January-July 1948	January-July 1949	July 31 1948	June 30 1949	July 31 1949
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRIMARY FATS AND OILS							
Food fats and oils							
Butter 3/	126.0	136.2	744.4	869.3	83.1	102.7	136.8
Lard and rendered pork fat 4/	123.3	134.2	979.8	1,081.7	217.2	133.9	120.5
Oleo oil, oleo stock, edible animal stearine, and edible tallow	10.2	14.1	73.5	108.8	12.1	14.2	13.0
Total edible animal fats	259.5	284.5	1,797.7	2,059.8	312.4	250.8	270.3
Corn oil	15.6	16.6	110.8	125.0	9.9	9.8	11.0
Cottonseed oil	32.1	48.7	584.9	825.3	128.7	262.5	185.0
Olive oil, edible	---	---	2.3	4.8	2.5	3.0	2.8
Peanut oil	6.6	6.4	93.4	68.1	23.9	13.4	7.2
Sesame oil 5/	.9	.1	9.5	3.2	2.8	.5	.5
Soybean oil	122.8	155.1	941.5	1,097.5	152.8	176.7	183.7
Total edible vegetable oils	178.0	226.9	1,742.4	2,123.9	320.6	465.9	390.2
Soap fats and oils							
Tallow, inedible, and greases, excluding wool grease 6/	150.9	137.9	1,184.1	1,241.1	365.8	361.2	380.7
Palm oil	---	---	---	---	15.7	33.1	36.1
Fish oil	19.7	13.5	41.2	32.4	39.3	49.6	42.3
Whale and seal oils	.1	.2	.1	.6	27.8	.3	.3
Olive oil, inedible and foots	N. A.	---	N. A.	N. A.	.1	.1	2.1
Total slow-lathering oils	170.7	151.6	1,225.4	1,274.1	448.7	444.3	461.5
Babassu oil 5/	1.6	---	20.9	18.8	7.3	1.2	.5
Coconut oil	29.9	34.4	380.3	240.4	90.3	79.8	91.1
Other lauric-acid oils 5/	.3	.9	4.8	12.5	7/	7/	3.2
Total lauric-acid oils	31.8	35.3	406.0	271.7	97.6	81.0	94.8
Drying oils							
Castor oil, dehydrated 8/	5.1	2.7	27.7	19.8	8.8	4.9	4.8
Linseed oil	77.0	69.9	398.6	402.2	150.1	381.4	397.6
Oiticica oil	---	---	---	---	6.1	4.2	3.9
Tung oil	---	N. A.	15.1	15.2	43.0	36.5	30.2
Total drying oils	82.1	72.6	441.4	437.2	208.0	427.0	436.5
Other industrial oils and fats							
Neat's foot oil	.2	.2	1.0	1.3	.8	.9	1.0
Sperm-whale oil	---	---	---	---	9/	21.9	25.5
Wool grease	1.6	.7	12.6	5.1	7.6	.4	.4
Cod oil and fish-liver oils	.5	.4	2.4	3.1	11.2	9.9	10.0
Castor oil, No. 1 and No. 3 10/	7.9	2.1	51.2	53.8	26.4	36.8	32.0
Rapeseed oil	N. A.	---	N. A.	N. A.	7.2	2.7	2.4
Other vegetable oils	---	---	---	---	13.5	16.3	9.6
Total	10.2	3.4	67.2	63.3	66.7	88.9	80.9
Grand total 11/	732.3	774.3	12/ 6,219.1	12/ 6,743.0	1,453.8	1,757.7	1,734.0
From domestic materials	679.9	734.1	12/ 5,706.1	12/ 6,391.5			
From imported materials	52.4	40.2	513.0	351.5			
FAT-AND-OIL PRODUCTS							
Oleomargarine 13/	52.6	56.1	528.6	483.0	7.3	8.3	8.3
Shortening	79.6	83.4	799.6	803.7	72.5	85.8	64.4

Compiled from reports of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Factory production except as otherwise noted.

2/ In case where refined and crude oils are reported separately in 1948, figures represent crude oil plus refined oil converted to crude basis by dividing by the following factors: Babassu, corn, cottonseed, palm kernel and palm oils, 0.93; coconut, peanuts, and soybean oils, 0.94. Beginning 1949 crude and refined oils added together without making converions.

3/ Creamery butter production and cold-storage stocks, United States Department of Agriculture.

4/ Federally inspected production, United States Department of Agriculture.

5/ Production computed as oil equivalent of imported seeds or kernels.

6/ Total apparent production, Bureau of Agriculture Economics (Computed from factory consumption, trade, and stocks).

7/ Included in "Other vegetable oils."

8/ In 1948 converted to crude basis by dividing by 0.88; beginning 1949, no conversion made.

9/ Included with "Whale and seal oils" before 1949.

10/ Production of No. 1 and No. 3 minus production of dehydrated castor oil.

11/ Computed from unrounded numbers.

12/ Includes estimated output of farm butter and nonfederally inspected lard, 539 million pounds in 1948 and 513 million pounds in 1949.

13/ Bureau of Internal Revenue.

Table 7 .- Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil, average 1937-41, annual 1948, and January-July 1948-1949

Item	Imports for consumption				Exports 1/			
	Average 1937-41	1948	January-July		Average 1937-41	1948	January-July	
			1948	1949 2/			1948	1949 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils								
Butter	3.8	.2	3/	.3	9.5	4/ 12.1	3.6	7.6
Lard	3/	3/	---	3/	272.7	322.6	167.8	442.6
Oleo oil	---	---	---	---	3.8	.1	3/	.6
Oleo stock	---	---	---	---	2.9	.8	3/	1.0
Stearine, animal, edible	1.0	---	---	---	.3	---	---	.3
Tallow, edible	2.9	3/	---	---	.2	1.4	1.2	19.7
Total, edible animal fats	7.7	.2	3/	.3	289.4	337.0	172.6	471.8
Corn oil	14.2	3/	---	---	.3	.1	3/	1.1
Cottonseed oil	72.1	3.6	3.3	---	11.0	34.5	25.1	79.5
Cottonseed (15.5 percent)	---	---	---	---	---	1.6	1.3	1.7
Olive oil, edible	48.5	36.1	21.0	10.8	---	.1	3/	3/
Peanut oil	16.1	.1	.1	3/	2.4	.7	.7	41.3
Peanuts, shelled (43 percent)	---	---	---	---	---	170.7	85.0	113.5
Sesame oil	9.9	1.4	1.3	.2	---	---	---	---
Sesame seed (47 percent)	4.8	10.6	9.5	3.2	---	---	---	---
Soybean oil	7.0	.4	.2	.2	10.5	85.7	62.0	252.3
Soybeans (15 percent)	---	---	---	---	30.9	58.5	20.4	138.8
Sunflower oil	.8	3/	3/	3/	5/	----	---	---
Teaseed oil	10.0	3.6	3.2	3/	---	---	---	---
Vegetable oils, shipments to U. S. Territories	---	---	---	---	8.5	8.1	4.3	7.7
Total, edible vegetable oils	183.4	55.8	38.6	14.4	63.6	360.0	198.8	635.9
Soap fats and oils								
Fish oils	2.6	18.8	8.6	4.6	2.7	11.8	7.9	22.0
Greases	---	3/	3/	3/	4.5	20.2	6.5	39.2
Marine mammal oils	25.4	39.1	31.2	7.0	2.9	.3	.3	---
Olive oil, inedible and "foots"	25.7	9.8	7.4	.6	---	.9	.4	.4
Palm oil	301.2	63.3	31.1	6/49.0	17.3	9.7	8.4	5.4
Tallow, inedible	7.7	1.0	.9	1.1	1.5	68.0	26.4	216.8
Total, slow-lathering oils	362.6	132.0	79.2	62.3	28.9	110.9	49.9	283.8
Babassu oil	.4	3.1	1.2	2.1	---	---	---	---
Babassu kernels (63 percent)	48.9	39.0	20.9	18.8	---	---	---	---
Coconut oil	362.8	109.1	48.7	57.9	33.4	20.1	16.4	7.8
Copra (63 percent)	335.9	564.2	366.8	242.7	27.8	1.2	.5	3.5
Murumuru kernels (36 percent)	1.2	---	---	---	---	---	---	---
Palm-kernel oil	28.8	14.7	5.3	3.6	---	---	---	---
Palm-nut kernels (45 percent)	14.8	3/	3/	4.1	---	---	---	---
Tucum kernels (43 percent)	2.4	5.1	4.8	8.4	---	---	---	---
Total lauric-acid oils	795.2	735.2	447.7	337.6	61.2	21.3	16.9	11.3
Drying oils								
Flaxseed (35.4 percent) 7/	351.7	21.3	18.6	2.9	---	32.5	.3	60.2
Linseed oil	.1	4.0	3.6	1.3	3.3	29.6	21.9	2.9
Oiticica oil	16.0	17.6	10.7	5.7	---	---	---	---
Perilla oil	28.9	---	---	---	---	---	---	---
Perilla seed (37 percent)	.5	---	---	---	---	---	---	---
Tung oil	100.4	133.3	74.8	31.0	5.0	10.9	4.6	7.2
Total drying oils	497.6	176.2	107.7	40.9	8.3	73.0	26.8	70.3
Other industrial oils and fats								
Cashew-nut shell liquid (oil)	2.7	6.0	3.8	2.3	---	---	---	---
Castor oil	.5	2.4	1.4	2.8	1.0	2.1	.9	1.7
Castor beans (45 percent)	95.0	136.1	75.7	66.1	---	---	---	---
Fish-liver oils	46.7	23.2	15.1	9.9	---	7.7	5.1	.4
Japan wax (tallow)	3.0	3/	3/	3/	---	---	---	---
Neat's-foot oil	---	.3	.1	.1	.6	.2	.1	.4
Rapeseed oil	10.3	3.7	3.6	.7	---	.1	3/	3/
Vegetable tallow	2.7	3/	3/	---	---	* ---	---	---
Wool grease	3.0	.3	3/	4.8	---	---	---	---
Other vegetable oils and fats	---	1.4	.7	.3	13.2	* 4.4	2.7	3.9
Total, other industrial	163.9	173.4	100.4	87.0	14.8	14.5	8.8	6.4
Manufactured products (fat content)								
Margarine 8/	1.9	.5	.2	.2	1.3	5.4	2.2	2.7
Shortening	1.4	3/	3/	---	8.0	10.6	1.8	9/ 17.7
Soap	2.8	.6	.3	.3	30.8	47.4	23.9	30.0
Total, manufactured products	6.1	1.1	.5	.5	40.1	63.4	27.9	50.4
Exports through private relief agencies	---	---	---	---	---	25.8	16.7	10/ 8.7
Grand total 11/	2,016.7	1,273.9	774.2	543.0	506.3	1,005.9	518.4	1,538.6

Compiled from Foreign Commerce and Navigation of the United States, and reports of the Bureau of the Census and United States Department of Agriculture.

1/ Includes shipments to United States Territories of butter, lard and manufactured products (shipments 1948 and 1949 partly estimated); reexports of coconut, palm, and tung oils, olive-oil foots, and copra. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes actual weight of butter spreads (Army). 5/ Not separately reported. 6/ June imports, originally reported at 36.3 million pounds, were revised to 11.2 million pounds. 7/ 1937-41, 34 percent yield; 1948 variable yields, based on production of oil and crushings of flaxseed. 8/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 9/ March exports originally reported at .6 million pounds were revised to 3.8 million pounds; April exports originally reported at .5 million pounds were revised to 4.5 million pounds; May exports originally reported at .3 million pounds were revised to .7 million pounds. 10/ January-March 1949 only. 11/ Computed from unrounded numbers.

*Revised.

Table 8 .- Price received by farmers and prices at terminal markets for specified oilseeds (including peanuts) and oilmeals, August 1947 and 1948, June-August 1949

Item	Unit	August		1949		
		1947	1948	June	July	August
		Dollars	Dollars	Dollars	Dollars	Dollars
		Oil-bearing materials				
Castor beans, Brazilian ports	Long ton	199.60	131.25	108.25	104.60	103.25
Copra, Philippine, c.i.f. Pacific Coast	Short ton	143.80	242.50	150.88	163.00	177.50
Cottonseed, United States average .	Short ton	75.50	76.60	46.70	37.50	44.40
Flaxseed, No. 1, Minneapolis	Bushel	6.00	6.00	---	3.86	3.91
Flaxseed, United States average ...	Bushel	5.73	5.75	3.42	3.59	3.56
Peanuts, No. 1 shelled, Spanish, Southeastern shipping points* ...	100 lb.	16.50	17.00	17.12	17.25	17.12
Peanuts, United States average* ...	100 lb.	9.81	10.40	10.40	10.40	10.20
Soybeans, No. 2 Yellow, Chicago ...	Bushel	3.11	3.22	2.33	2.64	3.20
Soybeans, United States average ...	Bushel	3.07	2.91	2.10	2.27	2.60
		Oilseed meals 1/				
Copra meal, Los Angeles 2/	Short ton	72.90	82.00	59.00	57.60	55.75
Cottonseed meal, 41 percent protein, Memphis	Short ton	83.25	67.10	59.15	68.25	69.90
Cottonseed meal, 41 percent protein, Chciago	Short ton	90.35	73.80	68.10	77.30	78.30
Linseed meal, 34 percent protein, Minneapolis	Short ton	77.90	66.80	54.75	60.90	62.90
Linseed meal, 34 percent protein, New York	Short ton	87.10	78.90	67.55	73.10	75.55
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	80.00	67.70	56.00	69.30	81.10
Soybean meal, 41 percent protein, Chicago	Short ton	91.90	84.40	75.40	85.55	100.30

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ Bagged carlots.
2/ Original quotations adjusted to bagged-carlots basis.
* These prices apply to peanuts for edible uses.

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